

## In the Claims

Claims 1-104 (canceled)

105. (currently amended) A computer-based system for ~~structuring~~ issuing an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising:

- (a) means for providing that the instrument's sensitivity to parameter changes ~~allow~~ incorporates, from any time-zero unconstrained by time, an agreement by the debtor and the creditor to agree upon the principal size and the interest rate chosen from any possible combination or permutation of principal size and interest rate to be paid, and any possible timing thereof;
- (b) means for providing that the instrument's extension risk and credit risk, ~~from any time-zero~~ unconstrained by time, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; and
- (c) means for providing that any options in the subject market, ~~from any time-zero~~ unconstrained by time, are ~~allowed to be~~ made explicit, priced, and used to correlatively adjust the principal size, the interest rate, and the payment timing of the underlying obligation.

Claim 106 (canceled)

107. (currently amended) The system of claim 105, further comprising means for pricing and capturing the value of a financial entity's the debtor's or the creditor's regulatory capital savings using the following equation:

$$RCS_t = \left( \sum_{i=1}^{i=T} (((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \bar{R}_{f_i} / F)^{-i} / L_{ua_i}) \right) * 10000$$

where:

RCS is Risk Capital Savings;

$L_{ua}$  is Unamortized Loan Balance: Monthly;

$L_R$  Loan: ~~RAM~~ Rate Accrual Mortgage variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

$R_k$  is Contract Rate Discount Factor;

$\bar{R}_{f_i}$  is Strike Rate Discount Factor; and

F is ~~Periodicity~~: Periodicity;

$i$  is an incremental counter;

$t$  is an initial time; and

T is a final time.

108. (currently amended) A computer-based method for ~~structuring~~ issuing an interest-bearing instrument in a subject market, the instrument having a debtor, a creditor, a sensitivity to parameter changes, an extension risk, a credit risk, and an underlying obligation having a principal size, an interest rate, and a payment timing, comprising the steps of:

- (a) providing that the instrument's sensitivity to parameter changes ~~allow~~ incorporates, ~~from any time-zero~~ unconstrained by time, ~~an agreement by~~ the debtor and the creditor ~~to agree upon~~ the principal size and the interest rate chosen from any possible combination or permutation of principal size and interest rate ~~to be paid~~, and ~~any possible timing thereof~~;
- (b) providing that the instrument's extension risk and credit risk, ~~from any time-zero~~ unconstrained by time, be completely subject to the creditor's and debtor's control through a calculation of an agreement upon interest rates; and

- (c) providing that any options in the subject market, ~~from any time zero~~ unconstrained by time, are ~~allowed to be~~ made explicit, priced, and used to correlatively adjust the principal size, the interest rate, and the payment timing of the underlying obligation.

109. (currently amended) The computer-based method of claim 108, further comprising the step of pricing and capturing the value of ~~a financial entity's~~ the debtor's or the creditor's regulatory capital savings using the following equation:

$$RCS_t = \left( \sum_{i=1}^{i=T} (((L_{ua} - L_R)_i * RCW * RCP * R_{k_i} / F) * (1 + \bar{R}_{f_i} / F)^{-i} / L_{ua_i}) \right) * 10000$$

where:

RCS is Risk Capital Savings;

$L_{ua}$  is Unamortized Loan Balance: Monthly;

$L_R$  Loan: RAM Rate Accrual Mortgage variant (contains rate put option);

RCW is Risk Capital Weight;

RCP Risk Capital Percentage;

$R_k$  is Contract Rate Discount Factor;

$\bar{R}_{f_i}$  is Strike Rate Discount Factor; and

F is ~~Periodicity~~: Periodicity;

$i$  is an incremental counter;

$t$  is an initial time; and

T is a final time.